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June 25, 2010

**VIA FEDERAL EXPRESS**

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-0001



227360

Re: **Finance Docket No. 35386**  
**R.J. Corman Railroad Company/Central Kentucky Lines, LLC —**  
**Trackage Rights Exemption—CSX Transportation, Inc.**

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of R.J. Corman Railroad Company/Central Kentucky Lines, LLC** pursuant to 49 C.F.R. § 1180.2(d)(7), dated June 25, 2010. A check in the amount of \$1,200, representing the appropriate fee for this filing, along with a disc containing the notice and caption summary, are enclosed.

One extra copy of the Notice and this letter is also enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,

**FILED**

JUN 29 2010

MJB/jc  
Encl.

**SURFACE  
TRANSPORTATION BOARD**

*Michael J. Barron, Jr.*  
Michael J. Barron, Jr.

Attorney for R.J. Corman Railroad Company/  
Central Kentucky Lines, LLC

**FEE RECEIVED**

JUN 29 2010

**SURFACE  
TRANSPORTATION BOARD**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**FINANCE DOCKET NO. 35386**

**R.J. CORMAN RAILROAD COMPANY/CENTRAL KENTUCKY LINES, LLC  
-- TRACKAGE RIGHTS EXEMPTION --CSX TRANSPORTATION, INC.**

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**VERIFIED NOTICE OF EXEMPTION  
OF  
R.J. CORMAN RAILROAD COMPANY/CENTRAL KENTUCKY LINES, LLC  
PURSUANT TO 49 C.F.R. § 1180.2(d)(7)**

**Michael J. Barron, Jr.  
Ronald A. Lane  
Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 920  
Chicago, Illinois 60606-2832  
(312) 252-1500**

**ATTORNEYS FOR  
R.J. CORMAN RAILROAD COMPANY/  
CENTRAL KENTUCKY LINES, LLC**

**Dated: June 25, 2010**

BEFORE THE  
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35386

R.J. CORMAN RAILROAD COMPANY/CENTRAL KENTUCKY LINES, LLC.  
-- TRACKAGE RIGHTS EXEMPTION --CSX TRANSPORTATION, INC.

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**VERIFIED NOTICE OF EXEMPTION**

Pursuant to 49 C.F.R. § 1180.2(d)(7) R.J. Corman Railroad Company/Central Kentucky Lines, LLC ("RJCC"), a Class III carrier, hereby files this Verified Notice of Exemption for exemption of an amendment to limited overhead trackage rights over a line of railroad of CSX Transportation, Inc. ("CSXT").

Under 49 CFR §1180.2(d)(7), the acquisition of trackage rights by a rail carrier over lines owned or operated by any other rail carrier is exempt if the rights are based on written agreements and not filed or sought in responsive applications in rail consolidation proceedings. The trackage rights covered by this Notice are based on written amendments to existing written trackage rights agreements and are not sought in responsive applications in rail consolidation proceedings. Accordingly, the exemption under Section 1180.2(d)(7) is applicable.

In accordance with the requirements of 49 C.F.R. § 1180.4(g), RJCC submits the following information:

**Description of the Proposed Transaction. 49 C.F.R. § 1180.6(a)(1)(i)**

In 2005, CSXT granted to RJCC limited overhead trackage rights over CSXT tracks between the end of CSXT's "Water Street Lead" at CSXT milepost 00T 1.8 and CSXT milepost 12.49 at HK Tower, a distance of about 10.75 miles, all in Louisville, Jefferson County, Kentucky. Those trackage rights are incidental to RJCC's lease of CSXT's Water Street Lead, and were authorized in R.J. Corman Railroad Company/Central Kentucky Lines, LLC –

Acquisition and Operation Exemption – Line of R.J. Corman Railroad Property, LLC, STB Finance Docket No. 34624 (Served February 23, 2005) and R.J. Corman Railroad Property, LLC—Lease Exemption—Line of CSX Transportation, Inc., STB Finance Docket No. 34625 (Served March 4, 2005). This trackage connects RJCC's Water Street Lead to its Central Kentucky Lines. These trackage rights facilitated the movement of unit sand trains to and from Lexington, Kentucky.

Subsequently, the parties agreed to relax the restrictions in the trackage rights agreement to permit the movement of merchandise cars in these unit sand trains. R.J. Corman Railroad Company/Central Kentucky Lines, LLC – Trackage Rights Exemption– CSX Transportation, Inc., STB Finance Docket No. 35124 (Served April 10, 2008).

The amendment that is the subject of this Notice herein will allow RJCC to handle ties, ballast and OTM on trackage rights on CSXT. RJCC will be able to move the ties, ballast and OTM on CSXT's LCL Subdivision, between RJCC/CSXT ownership point at HK Tower, milepost 00T 12.5<sup>1</sup> and Frankfort Avenue, milepost 00T 2.6, and on CSXT's Louisville Terminal Subdivision between Frankfort Avenue, milepost 00T 2.6 and Osborne Yard, in the vicinity of Big Ditch, milepost 000 6.4, a distance of approximately 17 miles, all in the vicinity of Louisville, Kentucky.

The full name and address of the applicant herein is as follows:

R.J. Corman Railroad Company/Central Kentucky Lines, LLC  
P.O. Box 788  
Nicholasville, KY 40356

Any questions concerning this Notice should be sent to counsel for RJCC at the following address:

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<sup>1</sup> In STB Finance Dockets 34624, 34625 and 35124, the notices of exemption referred to HK Tower as milepost 12.49. In this docket, HK Tower is referred to as milepost 12.5, but it is the same location referred to in the earlier three dockets.

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Fletcher & Sippel LLC  
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**Proposed Time Schedule for Consummation.** *49 C.F.R. § 1180.6(a)(1)(ii)*

RJCC intends to consummate the trackage rights amendment 30 days following filing of this notice.

**Purpose Sought to be Accomplished.** *49 C.F.R. § 1180.6(a)(1)(iii)*

There has arisen a demand for rail transportation of carload quantities of ties, ballast and OTM that can be moved efficiently by RJCC in coordination with the movement of its aluminum unit trains.

CSXT has agreed to relax restrictions in the existing trackage rights agreement to permit such movements.

**States in Which Applicant's Property is Located.** *49 C.F.R. § 1180.6(a)(5)*

RJCC owns and leases rail property in, and only in, the Commonwealth of Kentucky.

**Map.** *49 C.F.R. § 1180.6(a)(6)*

The lines to be operated by RJCC pursuant to the amendment of the trackage rights are shown on the map attached as Exhibit A.

**Agreement.** *49 C.F.R. § 1180.6(a)(7)(ii)*

A copy of the amendment to be entered into permitting movement by RJCC of ties, ballast and OTM on the tracks of CSXT is attached as Exhibit B.

**Employee Protection.** *49 C.F.R. § 1180.4(g)(1)(i)*

Standard labor protective conditions for trackage rights transactions are applicable. See Norfolk & Western Ry. Co.—Trackage Rights—BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc.—Lease and Operate, 360 I.C.C. 653 (1980).

**Caption Summary.** 49 C.F.R. §1180.4(g)(2)(i)

A caption summary suitable for publication in the Federal Register is attached as Exhibit C.


**Environmental Impact.** 49 C.F.R. §1180.4(g)(3)

Under C.F.R. § 1105.6(c)(2), the proposed transaction is exempt from environmental reporting requirements. Because the proposed transaction will permit the addition of cars to currently operated trains, it will not result in significant changes in carrier operations that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

**Historic Preservation.** 49 C.F.R. § 1180.4(g)(3)

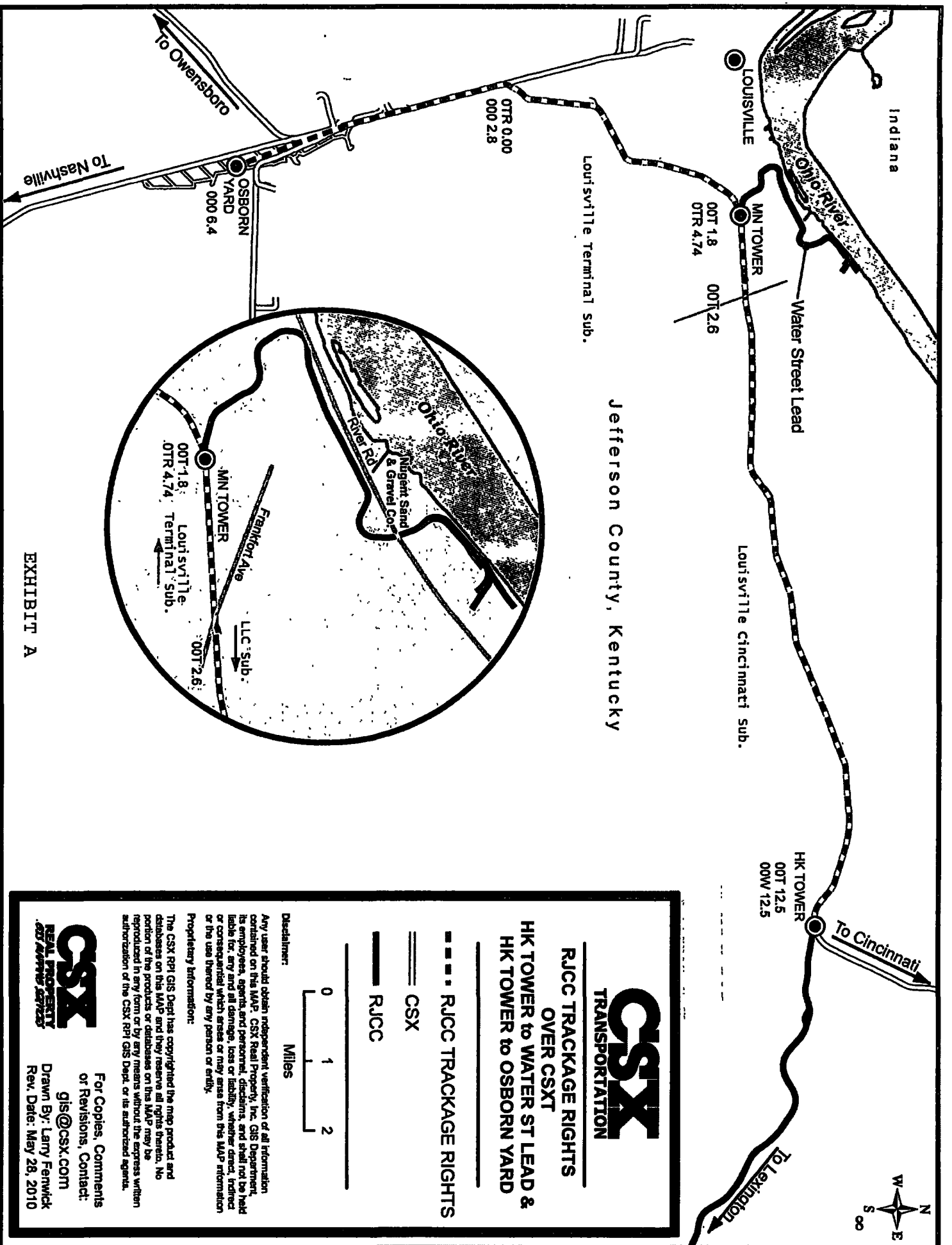
Under 49 C.F.R. § 1105.8(b)(3), the proposed transaction also is exempt from historic preservation reporting requirements. The proposed trackage rights will not significantly change any current rail operations nor substantially change the level of maintenance of rail property. Further, Surface Transportation Board approval is required to discontinue or abandon any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Respectfully submitted,

By:   
Michael J. Barron, Jr.  
Ronald A. Lane  
Fletcher & Sippel LLC  
29 North Wacker Drive, Suite 920  
Chicago, Illinois 60606-2832  
(312) 252-1500

Attorneys for R.J. Corman Railroad Company/  
Central Kentucky Lines, LLC

Dated: June 25, 2010





### **THIRD SUPPLEMENTAL AGREEMENT**

**THIS SUPPLEMENTAL AGREEMENT**, made this 28<sup>th</sup> day of July, 2010 (“Supplemental Agreement”), between **CSX TRANSPORTATION, INC.**, a Virginia corporation, (hereinafter referred to as “CSXT” or “Owner”) and **R. J. CORMAN RAILROAD COMPANY/ CENTRAL KENTUCKY LINES, LLC**, a Kentucky limited liability company, (hereinafter referred to as “RJCC” or “User”);

**WHEREAS**, Under the terms and provisions of a Trackage Rights Agreement dated February 5, 2005 and supplemented May 4, 2008 and June 21, 2008 (the “Agreement”), User enjoys trackage rights over Owner’s LCL Subdivision between the RJCC/CSXT ownership point at HK Tower at MP T 12.5 and Frankfort Avenue at MP T 2.8, and over Owner’s Louisville Terminal Subdivision between Frankfort Avenue and connection with User’s Water Street Lead at MP TR 4.74, all in the vicinity of Louisville, KY, to facilitate the movement of unit trains of sand from Nugent Sand to Lexington, KY, to include in said unit trains handling sand, Merchandise Cars interchanging between RJCC and CSXT at Louisville, and to allow User to move sand in Heavy Sand Cars; and

**WHEREAS**, User has additional opportunity for the movement of ties (STCC 24 912 10 and 24 112 10) and other track material (OTM) from points on User’s R. J. Corman Railroad/Memphis Line, LLC affiliate (RJCM) west of Memphis Jct., KY to RJCC points east of Louisville, and for the movement of ballast (STCC 14 219) and OTM from RJCC points to RJCM points; and

**WHEREAS**, User desires to handle said ties, ballast and OTM and reverse routed empties in existing Alcan unit trains of User which currently handle aluminum over Owner’s trackage between lines of RJCC east of HK Tower and Owner’s Osborne Yard in Louisville; and

**WHEREAS**, Owner is agreeable to the aforesaid expansion of User’s right to handle ties, ballast and OTM over lines of Owner, and the Parties desire that the Agreement be extended to accommodate such handling between the aforesaid connection with User’s Water Street Lead and Osborne Yard to allow for movement of ties, ballast and OTM in User’s existing Alcan unit trains handling aluminum; and

**WHEREAS**, By separate Haulage Agreement of even date herewith (“Haulage Agreement”), Owner will haul the aforesaid ties and OTM destined RJCC points and ballast and OTM destined RJCM points, and reverse routed empties of both, in User’s accounts, in existing Alcan unit trains of Owner currently handling aluminum between Osborne Yard and Memphis Jct.

**NOW, THEREFORE**, the parties hereto, intending to be legally bound, agree as follows:

## **ARTICLE 1. GRANT OF TRACKAGE RIGHTS**

1.1 The limits of the Subject Trackage are revised as follows:

1.1.a For the movement of ties, ballast and OTM and related reverse routed empties only, on CSXT's LCL Subdivision, between RJCC/CSXT ownership point at HK Tower, Milepost (MP) 00T 12.5, and Frankfort Avenue, MP 00T 2.6, and on CSXT's Louisville Terminal Subdivision between Frankfort Avenue, MP 00T 2.6, and Osborne Yard in the vicinity of Big Ditch, MP 000 6.4, a total distance of approximately 17 miles,

1.1.b "On CSXT's LCL Subdivision, between RJCC/CSXT ownership point at HK Tower, Milepost (MP) 00T 12.5, and Frankfort Avenue, MP 00T 2.6, and on CSXT's Louisville Terminal Subdivision between Frankfort Avenue, MP 00T 2.6, and Owner's connection to User's Water Street Lead at Louisville Terminal Subdivision MP 00T 1.8, a total distance of approximately 10 miles.

1.2 The Subject Trackage is shown on the plan attached hereto, marked as Exhibit "T" and dated May 28, 2010.

## **ARTICLE 2. RESTRICTION ON USE**

2.1 A new Agreement Sub-Article 3 (d) is added as follows:

"Ties and OTM shall be moved only in User's empty Alcan aluminum trains interchanging from Owner to User at Osborne Yard. Ballast and OTM shall be moved only in User's loaded Alcan aluminum trains interchanging from User to Owner at Osborne Yard. Reverse routed tie and OTM empties shall move only in User's loaded Alcan aluminum trains and reverse routed ballast and OTM empties shall move only in User's empty Alcan aluminum trains. Tie, ballast and OTM traffic handled by User shall be solely limited and restricted to ties (STCC 24 912 10 and 24 112 10) and OTM originating at RJCM points west of Memphis Jct., KY and moving to RJCC points east of Louisville, KY and ballast (STCC 14 219) and OTM originating at RJCC points east of Louisville and moving to RJCM points west of Memphis Jct., together with return movements of empty cars.

2.2 A new Agreement Sub-Article 3(e) is added as follows:

"Tie, ballast and OTM traffic as described immediately above is limited to the movement of not more than two hundred (200) loaded cars each of ties and ballast, including OTM, exclusive of locomotives and cabooses. Carloads of ties, ballast and OTM shall be handled only on the head end of existing Alcan aluminum unit trains, and shall not exceed five (5) in any single train. The aforesaid limits may be modified only upon mutual written consent of the Parties". The aforesaid notwithstanding, at no time shall the total number of cars moved in any single Alcan train exceed thirty-four (34) cars,

loaded or empty.

### **ARTICLE 3. COMPENSATION**

3.1 Agreement Article 5 shall be amended to provide additional compensation for the movement of tie, ballast and OTM cars between RJCC and RJCM points. For this movement, User shall pay to Owner annually in advance, the sum of EIGHT-THOUSAND-FIVE-HUNDRED DOLLARS (\$ 8,500), hereinafter referred to as the "Tie, Ballast and OTM Current Charge", said Tie, Ballast and OTM Current Charge reflecting the movement of approximately eight hundred (800) loaded and empty cars, excluding locomotive units and end of train devices (hereinafter referred to as "EOT") between HK Tower and Osborne Yard, a one-way-trip distance of approximately 17 miles, at a per car charge of SIXTY-TWO AND ONE-HALF CENTS (\$.625) per mile. On July 28, 2010, User shall pay the Tie, Ballast and OTM Current Charge as defined herein, prorated for the period July 28 through December 31, 2010

3.2 The Tie, Ballast and OTM Current Charge shall be subject to all provisions of Agreements Articles 5 and 6 applicable to the Current Charge.

### **ARTICLE 4. REGULATORY APPROVAL**

4.1 Should this Third Supplemental agreement require the prior approval of the Surface Transportation Board (STB), User at its own cost and expense shall initiate and thereafter diligently pursue an appropriate application or petition to secure such approval. Owner shall assist and support efforts of User to secure any necessary STB approval of this Third Supplemental Agreement.

4.2 Should the STB at any time during the term of this Third Supplemental Agreement, impose any labor protective conditions upon the exemption of this Third Supplemental Agreement from regulation, User, solely, shall be responsible for any and all payments in satisfaction of such conditions.

### **ARTICLE 5. TERM**

This Third Supplemental Agreement shall be effective July 28, 2010, and shall remain in force concurrently and terminate concurrently with Unit Train Transportation Contract CSXT C 82768 dated January 10, 2004 between the Parties and Alcan Aluminum Company and any renewals or extensions thereof ("Rail Transportation Contract"). As of the date of this Third Supplemental Agreement, Rail Transportation Contract is valid through January 10, 2011. In the event Rail Transportation Contract is renewed or terminated at any time, this Third Supplemental Agreement shall be renewed or terminated to coincide as to term with Rail Transportation Contract. Upon termination of this Third Supplemental Agreement, the Agreement shall remain effective and in full force and effect.

**ARTICLE 6. OTHER PROVISIONS**

All non-conflicting provisions of the Agreement and its prior supplements will remain in full force and effect, and shall apply with equal measure to the cars of ties and ballast and reverse routed empties subject hereof.

**IN WITNESS WHEREOF**, the parties hereto have caused this Supplemental Agreement to be duly executed as of the date first above written.

**WITNESS**

**CSX TRANSPORTATION, INC.**

\_\_\_\_\_

**By:**

\_\_\_\_\_  
Virginia M. Beck  
Dir. Passenger & Joint Facility Agreements

**WITNESS**

**R. J. CORMAN RAILROAD/  
CENTRAL KENTUCKY LINES, LLC.**

\_\_\_\_\_

**By:**

\_\_\_\_\_  
Name  
Title

**SURFACE TRANSPORTATION BOARD**

**Notice of Exemption**

**Finance Docket No. 35386**

**R.J. CORMAN RAILROAD COMPANY/CENTRAL KENTUCKY LINES, LLC  
-- TRACKAGE RIGHTS EXEMPTION--CSX TRANSPORTATION, INC.**

CSX Transportation, Inc. ("CSXT") will agree to grant additional limited overhead trackage rights to R.J. Corman Railroad Company/ Central Kentucky Lines, LLC to move ties, ballast and OTM between milepost 00T 12.5 at HK Tower and milepost 00T 2.6 at Frankfort Avenue and between milepost 00T 2.6 at Frankfort Avenue and milepost 000 6.4 at Osborne Yard in the vicinity of Big Ditch, a distance of approximately 17 miles, all in the vicinity of Louisville, Kentucky. The trackage rights will be effective on July 28, 2010.

This notice is filed under 49 C.F.R. §1180.2(d)(7). Petitions to revoke the exemption under 49 U.S.C. §10502(d) may be filed at any time. The filing of a petition to revoke will not stay the transaction.

**Dated:**

**By the Board, Rachel D. Campbell, Director, Office of Proceedings.**

**VERIFICATION**

State of Kentucky                )  
  )  
County of Jessamine            )        ss:

Michael Wester, being duly sworn, deposes and says that he is Vice President of R.J. Corman Railroad Company/ Central Kentucky Lines, LLC., that he has read the foregoing Notice of Exemption and knows the facts asserted therein and that the same are true as stated.

Michael L Wester  
Michael Wester

SUBSCRIBED AND SWORN TO  
before me this 21<sup>st</sup> day of June, 2010.

Regina Bowman  
Notary Public